

**IDAHO FALLS REDEVELOPMENT AGENCY**  
**P.O. BOX 50220**  
**IDAHO FALLS, IDAHO 83405-0220**

October 21, 2010

Regular Meeting  
Minutes

Council Chambers

**Call to Order:** Chair Barnes called the meeting to order at 4:00 p.m.

**Members Present:** Chair Bob Barnes, LaMar John, Linda Martin, Dave Radford and Lee Radford.

**Members Absent:** Tom Hally

**Also Present:** Ryan Armbruster, Agency legal counsel; Renée Magee, Agency executive director; Thane Sparks, Agency treasurer; Dave Christiansen, City of Idaho Falls Director of Parks and Recreation; Brad Cramer, City of Idaho Falls assistant planning director; John Hart, Idaho Falls Downtown Development Corporation (IFDDC); Lorin Walker, Terry Wadsworth, and Sam Cook, representatives for Taylor Crossing; Vern Kelsch, property owner in downtown Idaho Falls; Donna Carlson, recording secretary; and approximately three interested citizens.

**Minutes: August 26, 2010. Lee Radford moved to approve the minutes of August 26, 2010, as written. Motion seconded by LaMar John. Motion passed.**

**Approval of Bills:** Chair Barnes presented the finance report dated October 21, 2010. The following bills were presented to be paid: ICRMP for Agency liability insurance, \$2,837.00; Elam & Burke, \$2,930.02; and Harlan Mann, \$1,160.40 from the Snake River allocation fund. The following payments were presented to be ratified from the Snake River allocation fund: Elam & Burke, \$3,409.98; Donna Carlson, \$60.00; Harlan Mann, \$327.65; City of Idaho Falls for expense reimbursement, \$38,920.00; Jan Blickenstaff for contractual services, \$945.37; Steven Rowley for relocation, \$283.00; Kent Lott for building management, \$1,182.63; and Jim Jensen for relocation, \$100.00; from River Commons allocation fund, City of Idaho Falls for expense reimbursement, \$1,500.00 from River Commons; and from the Pancheri-Yellowstone allocation fund, \$1,500.00 for City of Idaho Falls expenses. The expense reimbursements to the City of Idaho Falls were based upon estimates of time spent. **Lee Radford moved to approve the bills as read. Motion seconded by Linda Martin. Motion passed.**

**Request of Taylor Crossing for Note for Greenbelt Improvements and Modification to Owner Participation Agreement (OPA).** Magee explained Taylor Crossing is requesting a note in the amount of \$286,954.71 for greenbelt improvements 400 feet north of Pancheri Drive. Weeds, trash and debris have been removed, the path relocated, and greenbelt terraced. The current invoices total \$286,954.71. Magee has reviewed the invoices and Lorin Walker has completed an affidavit stating the expenses are reasonable

and eligible. While quantities cannot be verified, the amount appears reasonable for the work accomplished. The first phases of the improvements are complete but, until the entire project is complete, there is still potential for erosion. Magee suggested the possibility of the Agency allocating an amount to Taylor Crossing to cover a portion of these improvements but not all. Staff has verified the collection of \$126,789.29 from tax increment monies in the Taylor Crossing area. The OPA does not address phasing but Taylor Crossing has always spoken of project phases. Armbruster stated the premise for payments has been based upon completion and City acceptance of particular components; however, the OPA does not prevent a payment being made at this time. The OPA provides the unilateral authority to issue a note or pay cash on the note.

Magee clarified approximately \$52,000 was paid in June to Taylor Crossing under the note for demolition of the Army Surplus building. The spreadsheet currently completed by staff shows \$126,789.29 collected for the current year and not applied to an existing obligation. Lee Radford confirmed the figure provided is seventy-five percent of monies collected and does not include the administrative fee. Since staff's confirmation of the amount of \$126,789.29, Terry Wadsworth has supplied Magee with an email dated October 20, 2010, showing delinquent taxes paid this past summer for eighteen parcels in the amount of \$309,386.02. This figure includes the \$126,789.29.

Lee Radford referred to Attachment 8A in the OPA and stated \$600,000 is allocated to the greenbelt including any temporary maintenance costs, repair and replacement reserve. Magee replied the \$286,954.71 requested by Taylor Crossing is included as a portion of the \$600,000 figure. Lee Radford recalled a previous advance payment of \$30,000 in the summer of 2009 to assist with ending erosion on the greenbelt. Magee confirmed this a payment of \$30,000 had been made.

Sam Cook requested a recalculation of monies available in collected tax revenues under the OPA. He indicated one building in Taylor Crossing paid approximate taxes of \$310,000 in June 2010 for tax year 2009. Seventy percent of that parcel alone is greater than amounts currently being discussed. An amount greater than the invoice should be available to be dispersed. Due to delinquent payment, some taxes received have been missed. Sufficient funds are available if the board decides to approve a completed phase for the riverfront. Magee stated Harlan Mann is currently reviewing tax receipts. Based upon tax revenues, Mr. Cook believes there is sufficient money due Taylor Crossing to fund the entire of \$286,954.71 invoice.

If the board determines a disbursement can be made at this time, Lorin Walker believes the funds requested are warranted and additional funds will be due in the future. Walker stated the project has always been represented as phased. The nature of the OPA is funds are spent prior to being reimbursed and this represents an expectation of phases. Reimbursement as soon as possible facilitates accomplishment of the plan. Taylor Crossing is not currently in a position to front load the project. Discussion has taken place in work meetings regarding moving forward on the greenbelt with city, agency and private involvement. Walker is anxious to complete the project and is asking the Agency to do all it can with the invoices. Magee asked if the plan discussed in work meetings

includes additional funding requests from IFRA. Walker answered no and stated he will provide solid figures from bids to assist with potential reimbursements from the Agency. It is important to complete the main infrastructure so soil erosion control can be implemented. The completion of the conduit allows Taylor Crossing to move forward with its time line. Armbruster clarified the Agency can pay on a progress basis without any modification to the OPA. Walker distributed a handout stating Phase I and II have been completed and describing the steps and time frame for Phases III, IV, and V. Although a proposal for the method of funding was described, there were no estimates for future costs provided in the handout. The methods did include funding through IFRA, City and private donations. Walker has financial estimates he can add to the handout. The distance of the greenbelt discussed for completion is 400 feet the north of Pancheri Drive.

John said the first part of the payment process in this situation is determining if an exception will be allowed by paying prior to 100% completion. Wadsworth stated the handout outlines the phases and the invoice submitted shows what has been spent compared with the phases.

Lee Radford is interested in seeing this project completed but struggles with the process of paying prior to delivery. He does not doubt the work has been done but it is possible communication has been lacking. Walker showed the illustrated concept presented prior to the onset of the project. Removal of debris was part of the first phase and what that phase would entail was unknown. There have been work meetings with board members and with Parks and Recreation. Removal is complete and Walker believes it is time to enter the infrastructure phase. The project will move forward as they are able depending upon tax increment finances. There is a \$600,000 cap on riverfront costs. Walker has been clear from the beginning the project will require more than the \$600,000 provided by IFRA. The handout shows other possibilities for funding but the \$600,000 from IFRA will be needed to finalize the project. Magee recalled in 2009 it was agreed only the \$30,000 would be advanced. If the payment of approximately \$287,000 is approved, Magee asked if Taylor Crossing can guarantee the conduit materials and planting/hydroseeding for completion of the southern 400 feet of greenbelt will be paid with the reimbursement from the Agency. Wadsworth stated the \$30,000 was requested during a cash-strapped period to start the erosion control process. Magee stated the advance of \$30,000 may have led to some miscommunication and she wants to avoid that in the future. She wants to be clear about what will be financed from the \$287,000 payment. Wadsworth clarified the funds have been fronted in the past by Taylor Crossing and another invoice will be forthcoming upon completion of the 400 feet of greenbelt. Magee stated Phase V of the handout shows a different scenario and Taylor Crossing may ask for a different type of participation than currently exists with the \$600,000 riverfront improvements.

Lee Radford clarified the \$600,000 only includes the conduit, the irrigation system and grass. Barnes summarized the board needs to understand what each phase includes, the extent of each phase, and the costs associated with each phase. Lee Radford wants to understand what will be completed at the end of a given phase and determine the price is

fair and reasonable. The phase can be funded at the end of each phase. He understands there were many unknowns regarding removal in the area but he is unclear about what plan has been in place. Radford is interested in seeing where we are going rather than understanding in retrospect.

Dave Christiansen wants the project completed and is concerned about liability issues. The project was made possible in part through a grant from the State of Idaho as well as from the National Trails fund. He is concerned the pathway stays intact. Christiansen worked with Walker in the past week and reviewed the new phases proposed in order to match tasks with available funding. Christiansen believes the \$30,000 advance was to rebuild due to erosion issues and he does not want to see further erosion. The time line provided by Taylor Crossing includes the potential for partnering with Parks and Recreation crews in order to move the project forward. The phases appear to be workable. Magee asked what portion of the greenbelt will be completed during the phases provided. Dave Radford asked if it is within the Parks and Recreation budget to partner with Taylor Crossing for project completion by March 2011. Christiansen answered his department anticipates this involvement next spring as long as materials are purchased by the Walkers.

Magee recalls figures of \$790,000 for greenbelt completion. Walker stated the \$600,000 figure allocated to the greenbelt is for completion of the greenbelt infrastructure from end to end, including conduit, irrigation and grass. The project is about half completed and the work remaining is easier to accomplish than the removal phase. The \$300,000 remaining from the \$600,000 allocated will complete the infrastructure. Participation will be required to complete amenities.

John reported on the meeting with Taylor Crossing to modify the existing OPA. The discussion centered on changing Attachment 8A due to recent events and the downturn in the economy. Based upon the current economy, the OPA overstates expected revenue between now and 2018. Money needs to be spent in a way that brings capital to the tax rolls as quickly as possible. The best way to accomplish this from the perspective of the developer is to build Riverwalk Drive from the roundabout over the railroad tracks to Broadway as soon as possible. Street improvement will allow property to be developed. The original OPA indicates the street has to be completed by a certain date or reimbursement will be reduced to 50%. Taylor Crossing has asked this provision be revised and noted the cost of building the road has dropped from the original estimate. John suggested amending the original OPA to adjust the percentage the Agency will contribute to street construction and to amend the allocation to the various projects to reflect new tax revenues projections of \$2.7 million. John cautioned, if the OPA is amended as discussed and the economy begins to grow again, he does not favor revisiting the OPA a second time and increasing the Agency's participation. If the economy improves, the task of getting the development underway will be complete.

Walker added his proposal to cut revenue expectations from \$6 million to \$3 million is to show more accurate figures. The process is somewhat moot because Taylor Crossing will be reimbursed based upon actual receipts. The discussion provides clarity particularly in

relation to forecasting. There is a finite amount of time to produce taxes and get money back. Walker asked for an extension beyond October 2010 for 100% participation in developing Riverwalk Drive. The road will stimulate development. Walker does not believe anything in the OPA needs to be reconsidered except extension beyond October, 2010, for road participation. John also noted a request for increasing funding for the greenbelt from \$600,000 to \$790,954. There are two issues to be addressed: allocation differences and 50% versus 100% participation on the street. If the developer is willing to take the risk to put the road through, Lee Radford believes the option should be left open for reimbursement at 100% rather than at 50%. John agreed and added property taxes anticipated from the hotel play a large role in potential development. Lee Radford stated the hotel completion is the single biggest factor in the projections. Walker is confident the hotel will be completed but is not certain about timing. Hospitality funding is nearly non-existent, but funding options are being explored in depth. Taylor Crossing is in negotiations but has heard funding promises for the past two years. Walker is very cautiously optimistic about funding and is certain the hotel will be completed. The hotel is 65% complete on the inside and 96% complete on the outside. He hopes to have a solution by the end of the year. The hotel is a barometer of the local economy and is a very important piece of the project.

John favors the Agency participating with the effort to keep the greenbelt project moving. He believes board action is necessary. Armbruster stated there may be enough information to craft an amendment to the OPA concerning completion of certain activities by 2010 as well as adjust the numbers in Attachment 8A to reflect improvements and figures more accurately. Dave Radford asked Harlan Mann if he had any corrected figures for past due taxes collected for 2007, 2008 and 2009. Mann has not completed his review but said the two largest parcels are fully paid. Magee stated staff can confirm payments and work with legal counsel to clarify some issues. Lee Radford would like more facts about phasing and costs prior to being willing to increase the allocation for the greenbelt improvements from \$600,000 to \$790,954. Armbruster said some improvements on Attachment 8A have already been eliminated based upon circumstances and available funding. Armbruster is not suggesting the greenbelt improvement figure be changed at this point. The projected tax increment figures will be adjusted and the board will have the opportunity for discussion.

John stated an invoice has been presented for \$286,954.71. Cash revenue needs to be fine tuned to be able to consider everything available for reimbursement. Phases need to be considered and John asked if an amendment to the OPA is needed if the Agency approves reimbursing based on phases. Barnes said phases as well as progress within each phase will be investigated prior the next meeting. Armbruster stated an amendment to the OPA is not necessary to resolve the issue of reimbursing \$286,954.71. However the amendment needed for other purposes will clarify the possibility of reimbursing on a phase basis.

**LaMar John moved to instruct staff and counsel to address the request from Taylor Crossing for payment of \$286,954.71 for expenses incurred on the greenbelt project to date; to verify collection of taxes and any other eligibility issues remaining; and to**

**recommend to the board how much of the requested amount should be reimbursed; whether the reimbursement can be paid out of available tax revenues generated from the Taylor Crossing project parcels under the OPA; and if not fully funded, the amount of note that will be issued. Motion seconded by Linda Martin. Motion passed unanimously.**

**LaMar John moved to instruct staff and counsel to continue to work with the committee and Taylor Crossing to create a new OPA Attachment 8A and redefine the projects on the Description of Improvements list. The draft should consider the limitations of the tax increment revenue to be generated through 2018 and be brought back to the Board for its consideration. Motion seconded by Linda Martin. Motion passed unanimously.**

Walker requested the potential for reimbursement be handled at the staff level. If reimbursement can take place prior to the next meeting, it is helpful in terms of weather and moving forward with plans. Barnes indicated the phases have to be determined prior to reimbursement. Lee Radford understands the money has been spent for two phases. It looks like good work but he is uncomfortable being asked for the reimbursement after the work has been completed. He is aware there was a concept, but the figures went from \$30,000 to \$286,000 without any communication. Radford understands a lot of work was involved but it is big jump between the two figures. Determining the tax receipts is a factor, but the other issue is approving in retrospect. It is hard to vote on reimbursement at this point. Magee said she will work with Taylor Crossing and legal counsel. She will request bids to complete the southern 400 feet of greenbelt.

**Agreement with the City of Idaho Falls for demolition and site preparation:** Barnes stated the sale of the Brunt and Messick buildings closed in late August and the properties are being vacated. The City has agreed to do the demolition and prep the properties for pavement. Armbruster indicated the agreement delegates design, construction and demolition to the City. Upon review of the proposed agreement, the City attorney requested changes to Section 5.2 concerning the preconstruction phase and selection of the construction contractor. The changes were made but another change needs to be made to Section 5.1 concerning design. Armbruster proposed the City present the design to the Agency for its review and approval. The final design of the parking lot shall accommodate no less than seventy parking spaces. The number matches the figure provided in the Memorandum of Understanding. Upon the completion of these changes, the agreement will be sent to the City for its approval. Armbruster read the resolution by title only.

**Lee Radford moved to proceed with the changes to the agreement as described and moved for approval of the resolution. Motion seconded by LaMar John. Motion passed.**

**Downtown parking alternatives:** Magee stated Vern Kelsch owns the property at the intersection of Memorial and A Street and is interested in leasing parking spaces to the Agency. Leasing the property will provide 43 parking spaces on a temporary basis for

downtown users. Barnes said there is a plan in place to replace 210 parking spaces displaced by the Memorial Drive redevelopment. The obligation to the county for replacement parking has been fulfilled and Barnes cannot envision the Agency leasing the property.

Kelsch stated the parking lot is being utilized and he does not know what will happen to the vacant building. Barnes replied he does not want to hold Kelsch to a two-year lease.

John Hart from IFDDC believes leasing the parking spaces will garner support for the project. There is strong opposition to the project. Leasing the parking will supply free all-day parking for employees. The lot will fill up instantaneously and be a tremendous asset in solving the employee parking problem on the south end of downtown as well as open up parking for customers. Lee Radford believes providing 43 spaces for one year will create the expectation of providing parking forever. Radford asked about the potential for offering parking spaces for \$25 per month. Hart said the spaces have been offered for lease for the past eighteen months at the price of \$25 per month and ten spaces have been leased. Several months ago there was discussion about increasing the parking fine from \$5 to \$25. Twenty parking permits were sold instantly, but the permits were relinquished when the increased fine was not instituted. People continue to shuffle cars and pay the occasional \$5 fine. Hart agrees that leasing spaces will create an expectation of continuing to supply spaces. Lee Radford has a business downtown and pays for parking. He is sensitive about complaining when spaces are available for \$25 per month. The Agency should not subsidize parking for some merchants and not for others. Linda Martin hopes the property will become a functioning property. She suggested the possibility of leasing from month-to-month when construction begins on Memorial Drive. This retains the potential for the building to be utilized. She agreed IFRA should not rent spaces for free and create an enduring obligation. Dave Radford said the points are well taken but it could be smart to have a parking solution during the construction phase. Martin asked about an option arrangement when that situation occurs. Lee Radford agreed that could be a good opportunity. Parking by the railroad across from Dennings is being considered. Creating an expectation to provide parking is a problem, but, if the Memorial/Broadway property is leased, it is possible the location can be changed in the future and still meet the expectation. Barnes believes if the property is available when it is needed the Agency can contact Kelsch at that time. Barnes does not believe parking on the railroad site is pressing at this time. Magee said she will start trying to contact Union Pacific. Hart suggested talking with Kelsch to see if there are other options for the parking spaces. Martin asked to post the property on the downtown development website.

**Legislative update:** Armbruster said a recent meeting sponsored by Capital City Development Corporation was attended by approximately 15 to 20 urban renewals agencies. The group agreed to take initial steps to organize an unincorporated association. The group is drafting a summary of urban renewal projects and will gather in December to gauge progress and determine future direction. Armbruster expects the usual issues to emerge in 2011. He does not believe there will be a reform/modernization bill and expects a defensive posture for 2011. Barnes cautioned the agencies about abuses with urban renewal plans. If there are no abuses there is no need to defend urban renewal.

**Update on Brunt and Messick buildings:** Magee said there are two tenants remaining in the buildings and they will be moving into the Bonneville building as soon as the units are ready. Leatherworks currently resides in the building but has purchased a property on Park Avenue and is preparing to move.

The meeting adjourned at 6:15 p.m.

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Donna Carlson, Recording Secretary